

THE LEONARD LETTER

July 5, 2005

QUOTE OF THE WEEK

"A vote is like a rifle: its usefulness depends on the character of the user."
--- President Theodore Roosevelt

UNDER THE DOME

Days Past State Budget Deadline Without a State Budget: 5

More Power to the Governor

Los Angeles Times columnist George Skelton opined (<http://www.latimes.com/news/local/la-me-cap30jun30,1,6054733.print.column?coll=la-mininav-california>) on the state budget situation last Thursday and he has it wrong again. Skelton says the current budget delay "highlights a glaring flaw in Gov. Arnold Schwarzenegger's ballot initiative to limit spending and 'live within our means.'" He says the measure would shift a significant amount of power from the legislative majority to the governor and minority party. Skelton sees that as bad; I think California needs it. The restraints Skelton lists unduly limit the Governor. Any Governor needs to have the power in a budget crisis to override the spending mandates that have pushed us to the brink of insolvency. Such executive power is really the minimum needed for any Governor to govern. All California's Governors have had many of these powers until a hostile legislature forced Governor Deukmejian's hand in 1983. The Legislature will always have powers to create new programs and to reallocate spending but they will have to be responsible in doing so or the Governor will be obligated to be the adult in the Capitol.

BoE Reform Bill Advances

I am happy to report that the bill I am sponsoring, SB 234 (Runner), keeps getting better--an exception to the general rule that real reform ideas usually get watered down by the legislative process. The bill provides for greater protection of personal information on income tax returns when appealed to the BoE. The bill's second objective is to improve the Board's openness. Senator Runner agreed to submit my amendments that will allow for greater disclosure of the Board's decision making process by making board materials, including hearing summaries and briefs of tax appeals, disclosable public documents. Personal taxpayer information, like Social Security numbers, phone numbers, and personal residence addresses will be redacted before release. These are the documents the elected members consult when making decisions. There have been times when the public or the press has reached erroneous conclusions about the facts in cases because current law limits the available information and restricts me from defending my vote. In

fact, even the dollar amounts at issue are often not disclosable under current law. I want the public to see why I vote the way I do and I want the freedom to explain my votes. As amended, SB 234 accomplishes this goal. As such, it passed out of the Assembly Judiciary Committee last week unanimously and is heading for Assembly Appropriations Committee where it is again recommended for consent. I am hopeful this bill will go to the Governor and become law. California is very fortunate to have an elected tax board. Greater openness to public scrutiny will strengthen the public's confidence in the BoE and increase the likelihood of its long-term preservation.

*****Field Poll Follies*****

The mainstream media has been nearly overjoyed in its coverage of recent Field Poll results about Governor Schwarzenegger's popularity and chances in various re-election match-ups. One thing none of the coverage does is analyze how Field obtained those results. Other professional pollsters I talk to point out this critical downfall: the Field Poll asks people whether they are "likely to vote" and if they say "yes," then they are considered a "likely voter." Other pollsters actually look at voting histories, which is the most reliable indicator of whether someone will vote in the future. Since it is socially unacceptable to say "I don't vote," most people will just lie. When forecasting election results, you only want to pay attention to real likely voters not those who, whether well-intentioned or lying, claim for themselves a reality not in evidence. I do not dispute that the Governor's ratings have fallen, but that happens when a leader promotes the changes our state desperately needs. Such change is not easy, it hurts, it thrusts people out of their feathered nests and it makes the change-agent the object of much anger.

*****Face Time With Arnold*****

Governor Schwarzenegger followed in the footsteps of his successful predecessors (read: those who were not recalled) by holding a briefing for all of his administration's appointees last week. Several hundred people serving in different state agencies or on various boards and commissions attended the event in Sacramento to hear from the Governor's senior staff and the Governor himself. He laid out his government reform plans, countered the popular perceptions about his education budget proposal, and spent time bonding with his appointees. The appointees, in turn, took inspiration from his determination to proceed with much-needed reform and appreciated the opportunity to visit with Arnold and Maria. Building those relationships was something that eluded Gray Davis, who never once held a briefing for his appointees.

ISSUE FOCUS

*****Godspeed, Justice Brown*****

California Supreme Court Justice Janice Rogers Brown became U.S.Appellate Court Justice Brown last week. This is a great loss to the California court of an articulate,

intelligent, conservative jurist. However, the gain to the federal judiciary will be great. I know we will be seeing the results of her work very soon.

Although it is a long shot that President Bush would immediately nominate her to the vacancy created by Sandra Day O'Connor's resignation, I think it would be a great move. Justice O'Connor made several decisions that I disagree with and which I do not think Janice Rogers Brown would agree with either. Notwithstanding my praise of her comments about property rights last week, Justice O'Connor was the deciding vote on several unfortunate Court decisions: upholding the current campaign finance scheme, upholding affirmative action in law school admissions, striking down a ban on partial birth abortions, and reaffirming *Roe v. Wade*.

*****Property Rights: What Sets Us Apart*****

It is widely acknowledged that America's economic success is based on its system of private property rights, where ownership can be proven, property can be used as collateral, and governments are limited from unilateral takings. Last week's U.S. Supreme Court decision cuts into those freedoms in a major way and puts us on track with a number of socialist nations where government owns or controls all the property. I urge support from all for Senator Tom McClintock's constitutional amendment to restrict California state and local governments from being even more intrusive into private property rights. Our courts have obviously lost their way in their duty to understand the Constitution as a document that limits, rather than expands, the powers of government.

The *Kelo* decision hits small business owners and homeowners the hardest. Both major political parties claim that these folks constitute their base of support. It will be interesting to watch which party, if either, ignores the big corporate and labor interests and actually works to protect everyone's property rights equally.

MISCELLANY

*****A Good Read*****

When Californians are asked by pollsters what issue they are most concerned with, "illegal immigration" is offered most often. It is the topic of radio talk shows and it is inextricably linked to our state budget problem, the underground economy, the challenges of our government schools, our health care crisis, etc. With this in mind, I recently pulled off of my shelf a book that I found fascinating: "Mexican Americans: The Ambivalent Minority" by Peter Skerry. The book is even more relevant today than when it was published in 1993. Skerry looks at the political experiences of both San Antonio and Los Angeles and asks "If their [Mexican Americans] experience is in many respects similar to that of typical immigrant groups, then what entitles them to the same protections that the nation has, with considerable reluctance and controversy, given to blacks in recognition of the debilitating effects of slavery and Jim Crow? Simply to raise the question is to risk denunciation for fomenting racial discord." Skerry examines the Mexican immigrant

experience in light of political organization, social experience and cultural context, and shares insights that offer much to the political discussion of this searing issue today.

BOE AND LEGISLATIVE DATES

July 15, 2005 --- Legislature's summer recess begins, provided the Budget bill has been enacted.

August 15, 2005 --- Legislature reconvenes from summer recess.

August 31-September 1, 2005 --- BoE meets in Sacramento.

September 5, 2005 --- Labor Day.

September 9, 2005 --- Last day for any bill to pass the legislature; interim recess begins upon adjournment.

September 20-21, 2005 --- BoE meets in Culver City.

NOTABLE DATES/ HISTORY

July 5, 1938 --- Herb Caen's column first appeared in the San Francisco Chronicle. He continued to write about California and San Francisco until his death in 1997, and won a Pulitzer Prize for his work.

July 6, 1785 --- Congress resolved that the U.S. currency would be named the "dollar" and adopted decimal coinage.

July 6, 1854 --- The first state Republican Party convention was held in Jackson, Michigan, to oppose Democrats' pro-slavery policies. Ten thousand people attended and dozens of members of Congress pledged themselves to the new party.

July 7, 1846 --- The U.S annexed California.

July 7, 1908 --- President Teddy Roosevelt's "Great White Fleet" left San Francisco Bay.

July 7, 1930 --- Construction began on Boulder (Hoover) Dam.

July 7, 1981 --- President Ronald Reagan appointed the first woman to U.S. Supreme Court: former Arizona Supreme Court Justice Sandra Day O'Connor. She had been the first woman to serve as Majority Leader in any state (Arizona legislature).

July 8, 1776 --- Col. John Nixon gave the first public reading of the Declaration of Independence.

July 9, 1776 --- The Declaration of Independence was read aloud to General Washington's troops in New York.

July 10, 1940 --- The Battle of Britain began as Nazi forces attacked by air.

GENERAL TAX INFORMATION

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115
TDD service for the hearing impaired
TDD phones: 800-735-2929
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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